Pamph
Econ
Fin
M

BUDGET SPEECH

DELIVERED BY

HONORABLE F. G. MARCHAND

PREMIER AND TREASURER OF THE PROVINCE

— IN THE —

LEGISLATIVE ASSEMBLY OF QUEBEC

ON TUESDAY, FEBRUARY 7th, 1899

LIBRARY
NOV 2 19
UNIVERSITY OF TORONTO

QUEBEC:
PRINTED BY FRANK CARREL

1899

BUDGET SPEECH

DELIVERED BY

HONORABLE F. G. MARCHAND

PREMIER AND TREASURER OF THE PROVINCE

— IN THE —

LEGISLATIVE ASSEMBLY OF QUEBEC

ON TUESDAY, FEBRUARY 7th, 1899

QUEBEC:
PRINTED BY FRANK CARREL

1899

BUDGET SPEECH

DELIVERED BY

HONORABLE F. G. MARCHAND

Premier and Treasurer of the Province

— IN THE —

LEGISLATIVE ASSEMBLY OF QUEBEC

ON TUESDAY, FEBRAURY 7th, 1899

MR. SPEAKER,

On coming into power the present government had been entrusted with a mandate enjoining it to devote itself, above all, to restoring equilibrium in our finances by reducing the expenditure through economy and by increasing the revenue without imposing fresh taxes.

To attain this result we were obliged to strictly insist upon the collection of moneys due the province from all sources and to reduce the annual expenditure as much as possible without injuriously affecting the efficiency of the public service.

The task we had to undertake was an ungrateful one, but it was imperative as the only solution of the problem to be solved.

To that end we had in the first place and above all to put a stop to the system of granting unlimited subsidies and bonuses to enterprises and works which, however deserving, they might be, necessitated a considerable increase in our liabilities, and a corresponding addition to our annual expenditure in the shape of interest and sinking fund,

Our predecessors had, shortly before the general elections, by orders in council, with the promise to have them ratified by the in-coming legislature, given subsidies and grants of that nature to the amount of over a million dollars and they had increased the annual expenditure in several branches of the civil service by additions to the salaries and to the number of employees.

To pay these subsidies we should have been compelled to negotiate fresh loans and to provide for the increased expenditure due to the additional salaries; we should have been obliged to impose new taxes, without which the desired equilibrium could not be obtained. But, as I have just stated, we had pledged ourselves to exhaust every means at our command to avoid increasing the liabilities of the province or having recourse to fresh tax.

Between these two obligations we were compelled, in obedience to the popular mandate confided to us, to refuse to exact from the members elected to support us he ratification of a policy which they had denounced on all the hustings.

We set to work courageously in, the hope that we should soon be able to effect the disappearance from our annual accounts of the enormous deficit left on the conclusion of our predecessors' last year in office. This hope has in a great measure been realized during the first twelve months of our administration and I am still confident that if the members will continue to give us, in this policy of economy, the hearty support that they have hitherto accorded us, we shall shortly a complish it.

Budgetary forecasts can never be made in a precise and infallible manner. They are subject to accidental circumstances which cause them, in spite of the efforts of a government, to undergo unexpected changes in certain services

It may easily happen that dullness in the lumber trade or a falling off in the number of licenses granted during the year will cause a perceptible lowering of the receipts from these two important sources of revenue. It may likewise happen

that an increase in the uncontrollable expenditure may, in certain proportion, add to the amount of the estimated expenditure.

This has happened this year in the service of insane asylums in connection with which the estimate is unavoidably augmented by a considerable increase in the number of the inmates of those institutions and by the addition of $14.00 to the cost of board of each patient in St-Jean-de-Dieu asylum. But I have no reason to think that we shall be greatly mistaken in the estimates for the coming year, which have been submitted to the House and I am confident that, if th amount of receipts indicated by them be realized, we shall obtain the desired equilibrium We have made vigorous strides in that direction during the course of our first year and we shall infallibly attain our end with the support of the majority of this House.

You may convince yourselves of this by studying the tables which I shall have the honour of submitting to you in a moment and which show that, during the past year, the liabilities of the province have practically not been increased, while the deficit of $810,484.20 of 1896-97 has been reduced to $187,000.00.

THE FINANCIAL SITUATION

In my Budget Speech of last session I had the honour to frankly show the House the financial situation as it then presented itself, with the difficulties to be overcome in order to restore it to a sound basis. On that occasion I asserted that the progressive increase of our public debt had been considerable during the last Legislature, and to prove it, I quoted official figures. This increase in the liabilities, as I showed, had occurred in spite of the fact that, during the same period, the revenues of the province had, thanks to the new taxes, been augmented by an average amount of $500,000 yearly, producing for the five years a total increase in our revenue of $2,262,452.55.

Now it is established by the statement of assets and liabilities, contained in my predecessor's Budget Speech, that the excess of the liabilities on the 30th of June 1897 was :.....	$25,491,658 16
While on the 30th June previous it was only	22,156,346 30
The excess having therefore increased in a single year by.....	3,335,311 86

From which must be deducted the amount added to our liabilities during that period by the conversion of the debt		625,651 42
Leaving an increase in the original liabilities during this year 1896-97 of.....		2,709,660 44
On the other hand the excess of the liabilities over the assets on the 30th June 1898 as set forth in the detailed statement laid before the House, was.....		$ 25,830,523 57
From which must be deducted the amount by which our liabilities have been increased by the conversion of the debt		800,146 86
Leaving an excess of liabilities over assets for this year of		25,030,376.71
If we compare this amount with the excess of liabilities over assets on the 30th June, 1897, amounting as above stated to.....	25,491,658 16	
Less the amount by which the liabilities had been increased to that date by conversion of the debt.....	625,651.42	
		24,866,006 74
it will be found that during the fiscal year ended on the 30th June last, such excess had increased only by		$ 164,369 97

This amount is made up as follows:

Public works, extraordinary.....	$ 50,683 70	
Aylmer Court House (Redemption of debentures)...	20,451 69	
Ottawa District Court House.....	1,829 12	
Q. M. O. & O. Ry, construction.....	2,360 90	
	$75,325 41	
Deficit between ordinary revenue and ordinary expenditure, including the cost of redeeming the bonds of the 1880 issue and the purchase of inscribed stock for sinking fund.....	$187,030 33	

Less ; $87,307.99 by which the consolidated debt was reduced through the redemption of the above bonds and $10,677.78. by which the assets available for the sinking fund were increased as above indicated ; these two amounts taken from the ordinary revenue of the year and proportionately reducing it, amount to.....	97,985 77		
		89,044 56	
			$164,369 97

COMPARISON BETWEEN THE ESTIMATES OF 1897-98 AND THE RESULTS OBTAINED.

ESTIMATED RECEIPTS

The estimated ordinary receipts for 1897-98 were.....	$ 4,116,199 42
To this must be added the amount collected by the sheriffs and collectors and disbursed by them for costs of collection, as set forth in the public accounts.....	63,592 33
	$ 4,179,751 75
The ordinary receipts amounted to.....	4,177,656 35
Leaving a deficit of.....	$ 2,135 40

Thus, though the receipts from the various sources of revenue have greatly differed, some being more and some being less than the estimated receipts, there is in the end but a difference on the debit side of $2,135.40.

ESTIMATED EXPENDITURE, 1897-98

According to my predecessor's Budget, the ordinary expenditure for 1897-98 was to be	$4,042,900 02
To this amount must be added the disbursements of Sheriffs and revenue collectors out of their collections, included in the expenditure, as appears by the Public accounts, and not taken into consideration in the Estimates	63,592 33
	$4,106,492 35
Now the ordinary expenditure for that year 1897-98 was	4,364,686 68
Leaving a difference in excess of	$ 258,194 33

This increased expenditure has been almost entirely the result of our predecessors' legislation or action, entailing expenses in addition to those already foreseen and for which no provision had been made in the revenue.

Thus we have had to pay over and above the estimated expenditure the following sums:

Increased interest on the public debt	$ 66,555 50
Cost of trunks for members	2,872 15
Increase in amount of salaries through reorganization of departments	8,099 36
Additional contingencies due to such reorganization	5,200 00
Paid La Caisse d'Economie under order in council of 20th May 1897	7,679 98
Salaries of official stenographers	7,227 99
Public Instruction under the act 60 Vic.,	50,000 00
Ursulines of Roberval under the act 60 Vic.,	2,498 17
Eastern Townships Association under the act 60 Vic.,	5,000 00
Montreal Exhibition	13,000 00
Richmond Agricultural Society under supplementary estimates confirming order in council of 14th November, 1896	2,000 00
Premiums of insurance on Public Buildings	12,432 12
Protestant Insane Asylum under 59 Vic., chapter 5	8,325 00
Revision of Code of Civil Procedure	6,652 33

Sequestration of Baie des Chaleurs Railway	7,282 38
Cost of Whelan arbitration	1,343 47
Claims for iron bridges	447 97
Transcribing registers at Montreal West under order in council of 20th May, 1897	4,116 00
Total	$ 210,732 42

Thus it will be seen that we were compelled, in consequence of the engagements contracted by the Government which preceded us, to spend over and above the estimated expenditure an amount of	$210,732 42
Deducting this from the amount I have just given as the difference between the estimates of my predecessor for 1897-98, and our expenditure in the same year, say	258,194 33
There remains only a difference of	$ 47,461 91
My predecessor, without taking into account these additional expenses imposed by his Government, had estimated a surplus for the year 1897-98 of	$ 73,299 40
But he would have been obliged to incur the increased expenditure which I have just indicated, say	210,732 42
Thereby inevitably converting his pretended surplus into a deficit of	$ 137,433 02
Now, if we compare the receipts we have realized during the year 1897-98	$4,177,656 35
With the expenditure indicated in the estimate of my predecessor	$4,106,492 35
We should have a surplus of	$ 71,164 00

instead of the deficit caused by the unforeseen expenditure bequeathed to us.

My predecessor had estimated the payment of the interest on the Aylmer court house debentures at $1,574.00. These debentures were redeemed during the year. The total of this payment in capital and interest amounted to $20,451.69.

Another sum of $1,829.12 was also paid to the corporation of Hull, being the balance of the law stamps collected to the 28th February, 1898, on account of the tax for the Ottawa district court house.

THE ACCOUNTS FOR 1896-7 COMPARED WITH THOSE OF 1897-8

The Public Accounts for the fiscal year ended on the 30th June 1898 show that the ordinary receipts and expenditure for this year, including the amount received on the railway subsidy tax, were as follows :

Ordinary receipts	$4,177,656 35
Ordinary expenditure	4,364,686 68
Leaving a deficit of	$ 187,030 33

On the other hand the ordinary receipts and expenditure for the previous year (1896-7) established on the same basis, were as follows :

Ordinary receipts	$3,874,966 22
Ordinary expenditure	4,685,450 42
Deficit	$ 810,484 20

Thus the deficit for the year 1896-7 was	$ 810,484 20
While that of 1897-8 is	187,030 33
Being an improvement to the amount of in the operations of this year alone.	$ 623,453 87

This improvement in the operation of our last fiscal year is due to considerable reductions in most of the branches of the public service and to the fact that, the revenue, thanks to the diligence displayed by the government in collecting it was kept up to the level of the estimates.

DETAILED STATEMENT OF THE RECEIPTS AND EXPENDITURE FOR 1897-98 COMPARED WITH THOSE FOR 1896-97.

RECEIPTS:

The total ordinary receipts for 1897-98, including the railway subsidy tax, are	$4,177,656 35
Those for 1896-97 were	3,874,966 22
Increase for receipts for 1897-98 over those for 1896-97	$ 302,690 13

The services that have contributed to this increase are :

Lands, Forests and Fisheries	$ 215,021 93
Direct taxes on commercial corporations	59,908 33
Insane Asylums Contributions	56,329 91
Industrial and Reformatory Schools	35,463 12
Licenses	28,867 41
Arrears of taxes for manufacturing and trading licenses	19,452 97
Dominion of Canada, interest on trust funds	9,229 78
Law stamps	5,063 60
Registration stamps	2,548 05
Law fees	6,988 58
Montreal Court House	3,031 91
Gaol Guards, Quebec and Montreal	1,200 00
Percentage on salaries of Public Officers	1,878 24
Interest on price of sale of Q. M. O. and O	1,438 27
Interest on loans and deposits	4,895 58
Tax on railway subsidies	1,353 68
Other services	2,220 02
	$ 454,891 38

The services in which there has been a falling off in the receipts in 1897-98 as compared with 1896-97, are :—

Tax on transfers of property	$72,801 18
Duties on successions	65,986 46

Building and Jury fund	4,132 02	
Maintenance of prisoners	4,630 78	
Montreal Gaol	1,368 92	
Arrears of direct taxes on certain persons	2,127 56	
Other services	1,154 33	
		$ 152,201 25
Leaving an increase in 1897-98 of		$ 302,690 13

ORDINARY EXPENDITURE :

The total ordinary expenditure for 1897-98, was	$4,364,686 68
That for 1896-97 was	4,685,450 42
Being a decrease in the expenditure for 1897-98 as compared with 1896-97 of	$ 320,763 74

The services in which there was a decreased expenditure for 1897-98 as compared with 1896-97 are the following :

Legislation	$ 77,713 22
Administration of Justice	44,286 12
Agriculture, Colonization and Immigration	97,218 78
Public Works and Buildings, ordinary	38,300 03
Insane Asylums and Charities	19,241 02
Miscellaneous	105,489 39
Cost of collection of railway subsidy tax	8,355 22
	$ 390,603 78

The services wherein the expenditure was greater are :

Public debt	$ 40,302 87	
Civil Government	5,337 17	
Public Instruction	24,200 00	
		$ 69,840 04
Being a decrease in the expenditure for 1897-98 compared with that of 1896-97 of		$ 320,763 74

These statements may be summarized as follows:

Increase in revenue in 1897-98 over1896-97.....	$302,690 13
Reduction in expenditure in 1897-98 below 1896-97.....	320,763 74
Total increase in revenue and reduction in expenditure in 1897-98.	$623,453 87

Our financial position has therefore been improved to that extent.

This result for a first year's administration shows that we have faithfully followed the policy of prudence and economy promised during the electoral contest and that we are progressing as surely as the state of our finances permit toward a definite and lasting equilibrium.

The decrease in expenditure chargeable to capital is as follows:

The payments for railway subsidies during the year 1897-98 were less by $1,143,572.99 than in the previous year.

The payments on Q. M. O. & O. construction claims were less by $4,256.88 than in 1896-97.

The balance of the railway subsidies authorized by statute, but not yet earned on the 30th June, 1898, is $925,682,84.

The amount repaid on Railway guarantee deposit during the year 1897-98 has been $143,715.76 less than in 1896-97.

The balance of these deposits on the 30th June 1898, was $132,702.49.

The considerable amount of reductions effected in the ordinary expenditure in 1897-98 necessitates some explanation as to details which, with the permission of the House, I shall give as briefly as possible.

The services wherein there has been a decrease in expenditure in 1897-98 as compared with 1896-97 are as I have just indicated the following:

LEGISLATION :—(Decrease)			$77,713 22
To this amount of decrease in expenditure must be added the following incurred in 1896-7, and paid in 1897-8.			
Balances on salaries due in 1896-7 and paid in 1897-8	$2,134 00		
Office supplies bought and delivered in 1896-7 but paid in 1897-8	5,102 10		
Trunks for members bought and delivered in 1896-7, but paid in 1897-8	2,108 00		
		$9,344 10	
Real decrease in 1897-8 as compared with 1896-7		$87,057 32	
For the purposes of comparison we must also deduct the indemnity of four members not elected in 1896-7 and charged against 1897-8		3,200 00	
Making a difference between 1896-7 and 1897-8 of		$90,257 32	
But in order that the comparison may be made upon the same basis for each year, it is only fair to deduct the election expenses and the revision of the electoral lists for both years, say		$3,390 32	
Still leaving a decrease of			$ 6,867 00
in favor of 1897–8 over 1896–7 in the ordinary expenses of legislation, if we attribute to each year the expenditure proper to it.			

$77,713 22

Administration of Justice : (decrease)..... $ 44,286 12
made up as follows :—

DECREASE :

Salaries of Sheriffs, Prothonotaries, etc.....	$22,200 37
Criminal prosecutions.....	88 29
Sheriff's contingent expenses.....	16,310 45
Salaries of Clerks of the Crown and Peace.....	448 05
Court interpreters.....	375 00
Gaol physicians.....	241 04
Miscellaneous	13,662 43
Reformatory prisons and schools.....	728 74
	$54,054 37

INCREASE :

Building and Jury fund.....	$ 1,457 76	
Salaries and expenses of Coroners	479 72	
Salaries and expenses of District Magistrates	611 14	
Transcription.....	444 00	
do in registry office of Montreal West.....	4,222 00	
Police	1,533 83	
Inspection of Public offices.....	819 80	
		$ 9,768 25

Making a decrease for 1897-98 over 1896-97 of..... $ 44,286 12

Agriculture, Colonization and Immigration (decrease)..... ..... $ 97,218

This considerable decrease for 1897-98 over 1896.97 is explained by the fac that the previous government, for reasons which I do not wish to recall here, increased the expenditure, in the year 1896-97, on account of Agriculture, Colonization and Immigration in abnormal proportions, as may be seen by the following figures :

In 1895-96, under the Taillon government the expenditure was only	$286,814 00
In 1897-98, the present administration expended	307,476 00
Being an increase for 1897-98 of	$20,662 00

This was the normal and ordinary expenditure as indicated moreover in the estimates prepared by my predecessor as the expenditure for this year 1897-98. We have exceeded that estimate by $20,662.00, owing to the increased expense, by the improvement of municipal roads and other useful objects. The Taillon government in its estimates for 1896-97 had set down the sum of	$251,800 00
But his successor, Hon. Mr. Flynn, thought proper, under the very special circumstances in which he was placed, to exceed the authorized expenditure by carrying it to	404,695 00
Exceeding the appropriations voted by this House by	$152,895 00
And this excess of expenditure was so irregular and so abnormal that in the same year he reduced the appropriation in his budget for 1897-98 to its normal amount, say	$288,800 00

We have deemed it our duty to comply with the desire of this House by only exceeding the appropriation it has voted by a small amount to provide for that encouragement of municipal roads of which the public has already manifested its high appreciation.

PUBLIC WORKS AND BUILDINGS, ordinary (decrease) made up as follows :	$38,300 03

DECREASE :

Rents, repairs, &c	$24,016 70
Inspections, &c	14,982 22
Repairs and rents of Court Houses and Gaols	11,733 23
	$50,732 15

INCREASE :

Insurance of Court Houses and Gaols not provided for in the estimates	12,432 12	
Decrease for 1897-98 under 1896-97	$38,300 03	
INSANE ASYLUMS AND CHARITIES (decrease)		$ 19,241 02
MISCELLANEOUS EXPENSES, (decrease)		$ 105,489 39

Under this head there has been a decrease in 1897–8 under 1896–7 in the following services :

DECREASE :

Miscellaneous expenses, generally	$ 9,786 34
Department of Crown Lands and Mines	32,420 24
Stamps, licenses, etc	13,958 66
Expenses in connection with the Arbitration	6,581 81
Revision of Code of Civil Procedure	11,847 67
Grant to Vaccine Institute	364 95
Official Gazette	848 02
Protestant Insane Asylum	11 80
Commutation in Magdalen Islands	520 65
Traffic expenses of Q. M. O. & O	7,872 36
	$ 84,212 50

The increase has been in the following services :

Disbursements by revenue collectors out of their collections	$ 2,026 56
Pensions	1,200 41
Special pensions prothonotaries Quebec	2,100 00

Railway inspections.....	100 00	
Night schools.....	855 75	
Industrial establishments.....	447 06	
Salaries and expenses of registry office.....	2,265 31	
Sequestration of Baie des Chaleurs Railway.....	1,308 83	
		$ 10,303 92
Decrease.....		$ 73,908 58

The special grants for 1896-97, were the following:

Kildare Convent.....	$ 200 00
Champlain Monument.....	2,000 00
Reprinting Deschamps' work on municipalities.....	4,500 00
Claim of heirs Amyot.....	4,000 00
Aid to parties in county of Portneuf.....	3,353 95
Aid to needy fisherman of Percé...	2,000 00
Histoire du Droit Canadien.....	198 00
House of Refuge.....	300 00
Claim of Joseph Dussault.....	14,578 77
do of Waterous Co.....	2,178 15
Indemnity to Mad. Rioux.....	296 44
Indian relief fund.....	4,000 00
	$ 37,605 31

In 1897-8 the special grants were as follows:

Maritime road in County of Gaspé.....	$1,824 50
Special officer on north shore	1,200 00

Belmont Retreat.....	500 00	
Monument National.....	2,5000 00	
	$6,024 50	

The decrease under the head of special grants is.....	$ 31,580 81	
And the total decrease in miscellaneous expenses during the year 1897-8 with 1896-7 is.....	105,489 39	
PUBLIC WORKS AND BUILDINGS, extraordinary, (decrease) :		$126,148 58

This decrease is made up as follows :

Parliament Buildings and grounds.....		$ 3,427 65
Building and furniture of Montreal Court House.....		151,994 11
Gaoler's lodging, Montreal		8,221 23
New Montreal Gaol.....		2,784 60
Court House and Gaol, Bryson.....		179 70
		$166,607 29
INCREASE :		
Court House and Gaol, Terrebonne.....	$2,422 00	
Court House and Gaol, Montmagny.....	3,000 00	
Court House and Gaol, Hull	1,918 21	
Court House and Gaol, Quebec.....	13,843 47	
Jacques-Cartier Normal School.....	5,627 36	
Bridges destroyed by floods.....	8,199 70	
Grande Rivière Bridge.....	5,000 00	
Claims of Messrs Maquet and Lafontaine in connection with bridges.....	447 97	
		$ 40,458 71
		$126,148 58

The services in which there was an increase of expenditure in 1897-98 are the following :

PUBLIC DEBT $40,302 87

Interest on Public Debt.

Under this head the comparison between 1897-98 and 1896-97 is indicated below :

INCREASE :

Loan of 1897		$ 40,800 00
Inscribed stock, the result of the conversion of the debt		104,350 50
Temporary loans and deposits		17,188 43
		$ 162,338 93

DECREASE :

Loan of 1874	$ 1,113 01	
do 1876	1,260 00	
do 1878	2,116 81	
do 1880	4,450 77	
do 1882	8,115 19	
do 1894	314 69	
do 1896	103,189 41	
		$ 120,559 88
Increase of interest		$ 41,779 05
Redemption (increase)		2,627 99
Sinking Fund (increase)		10,677 78
		55,084 82
Cost of Management (decrease)		14,781 95
The increase of the public debt in 1897-98 is therefore		$ 40,302 87

CIVIL GOVERNMENT		$ 5,337 17
The creation of the Department of Colonization and Mines as well as certain increases of salaries (most of which were given by the previous government,) have caused an increase in the expenditure to the amount of..	6,112.45	
But on the other hand there has been a decrease in the contingent expenses of	775 28	
Leaving an increase of	$ 5,337 17	

PUBLIC INSTRUCTION		$ 24,200 00
The increase is made up as follows:		
Elementary Schools under 60 Vic. chap. 3	$ 26,000 00	
Academy of Pointe Claire	1,000 00	
	$ 27,000 00	
DECREASE:—		
Lennoxville School $2,000 00		
Museum of Natural History 500 00		
Canadian Archives 300 00		
	2,800 00	
	$24,200 00	

THE CURRENT YEAR.

The statement of receipts and payments to the 18th of January 1899, which has been brought down to the House, will shew that so far the expenditures have been made with a proper exercise of economy and that, with the exception of the expenditures of Lunatic Asylums, for which an additional amount of $45,000 has been asked in the Supplementary Estimates, owing to the increase in the tariff with the St. Jean de Dieu Asylum, under the contract which was passed

under authority of Order in Council No. 119 of 24th February 1897, and the increase of the number of patients in the Asylums generally, and the payment of certain unforeseen and in great part uncontrolable disbursements, for which no provision was made in the estimates of the year, there is no reason to anticipate that the estimates will be exceeded. As against these, it is probable that the expenditure on the Public Debt will fall short of the estimate, and there may be a saving on some of the other services.

The revenue for the first six months has been in proportion to the estimates, with the exception of the interest on Trust Funds in the hands of the Dominion, a portion of which has for the last three or four years been retained by the Dominion, as against the interest on any possible balance that may be established against Quebec on the settlement of the accounts by the Arbitration. We have protested against the retention of this amount, claiming that it should be paid and that Quebec will be prepared to settle for the balance, if any, which may be found against her at the time of the final settlement.

It is possible that some of the sources of revenue may not yield an amount equal to the estimate, but it is expected that any such diminutions will be compensated by an increase beyond the estimate from other sources.

ESTIMATES FOR THE YEAR 1899-1900.

The following are my estimates of the Receipts and Expenditures for the year 1899-1900. They have been carefully prepared from the information obtained from the different Departments. It will be noticed that in the estimated receipts I have continued to place the full amount of the interest on Trust Funds which will become due to us during the year by the Dominion, and I hope that before the termination of that year the accounts will be so settled that there will be no question about the full payment being made.

I have this year introduced a change in the estimate of the receipts from licenses, the estimate now submitted being the gross amount of the revenue expected to be obtained from that source instead of the net amount, after payment of expenses connected with its collection, as has been done heretofore. On the other hand, I have decided to put into the expenditure the estimated amount of such expenses and to take a vote for the same, so that these expenditures will

have to be paid as other expenditures are, by warrant, and the accounts and vouchers for such expenditures will be submitted to the audit of the Provincial Auditor, which has not hitherto been done.

The expenditure, on account of the interest and charges on the public debt, which is estimated for the year 1899-1900 to reach the sum of $1,570,411.54, is not controlable. In the other services the estimates have been made with every possible economy consistent with the efficient administration of affairs and the promotion of the substantial interests of the Province, and it is our intention to confine the expenditure within the limits of the estimates.

STATEMENT E.

ESTIMATED RECEIPTS 1899-1900.

Dominion of Canada:		
Subsidy under B. N. A. Act	$959,252 80	
Interest on Trust Funds	71,385 94	
Special Subsidy, 47 Vict., chap. 4	127,460 68	
Interest on Railway Subsidies under 47 Vict., chap. 8	119,700 00	
		1,277,799 42
Interest:		
Interest on price of sale Q. M. O. & O. Railway	300,000 00	
Interest on Loans and Deposits	10,000 00	
		310,000 00
Lands, Forests & Fisheries		1,050,000 00
Mines		10,000 00
Administration of Justice:		
Law Stamps	195,000 00	
Law Fees	14,000 00	
Building and Jury Fund. (Gross revenue)	25,000 00	
Maintenance of Prisoners	10,000 00	
Gaol Guards, Montreal and Quebec	4,000 00	
Fines	200 00	
Montreal Gaol	3,000 00	
Other Gaols—Prisoners earnings	200 00	
Montreal Court House	4,000 00	
High Constable's Fees, Quebec	500 00	
		255,900 00
Registration Stamps (including fees of Salaried Registrars)		65,000 00
Licenses. (Gross revenue)		675,000 00
Direct Taxes on Commercial Corporations		160,000 00
Duties on Successions		225,000 00
Percentage on Fees of Public Officers		8,000 00
Percentage on renewals of Mortgages		200 00
Maintenance of Insane		67,000 00
Maintenance of Inmates of Industrial and Reformatory Schools		28,000 00
Legislation		8,000 00
Official Gazette		22,000 00
Rents of Public Buildings, &c		1,000 00
Casual Revenue		5,000 00
Provincial Insurance Companies—Contributions		400 00
Contributions to Pensions, Civil Service		5,000 00
Premium Discount and Exchange		1,000 00
		4,174,899 42
Railway Subsidies Tax		30,000 00
		$ 4,204,899 42

STATEMENT F.

ESTIMATED EXPENDITURE 1899-1900.

		$ cts.
Public Debt		1,570,411 54
Legislation		192,894 70
Civil Government		269,776 10
Administration of Justice, &c		536,710 00
Public Instruction, &c		432,560 00
Public Works and Buildings—Ordinary		108,402 79
Agriculture		172,650 00
Lands, Forests & Fisheries		129,000 00
Colonization & Mines, &c		133,250 00
Lunatic Asylums, Reformatories, &c		419,400 00
Charities		44,675 75
Miscellaneous Services		146,025 00
		4,155,755 97
Public Works and Buildings—Extraordinary		22,000 00
		4,177,755 97
Repayment of Railway Guarantee Deposits	$ 33,072 12	
Railway Subsidies and Q. M. O. & O. Railway	413,740 34	
		446,812 46
		$4,624,568 43

STATEMENT G.

Approximate statement of Liabilities and Assets of the Province of Quebec at 30th June, 1898.

LIABILITIES.

Funded Debt outstanding as existing before conversion		$33,483,694 67	
Increase of capital by conversion		800,146 86	
			34,283,841 53
Temporary Loans			700,000 00
Trusts Deposits			334,003 97
Railway Company Deposits to meet guaranteed interest on bonds			132,702 49
Outstanding Warrants			191,639 36
Railway money subsidies authorized but not yet earned		$365,709 67	
Railway land subsidies converted into money subsidies at 52½ cents per acre, authorized but not yet earned		559,973 17	
			925,682 84
Loss on Exchange Bank deposit			25,218 75
Quebec Court House bonds			200,000 00
			$36,793,088 94

ASSETS.

Part of price of Q. M. O. & O. Ry., deposited in Banks	$353,390 00		
do do invested in $29,000 Province of Quebec bonds, loan of 1878, bought at 109%	31,610 00		
do do invested in Quebec Court House bonds	200,000 00		
do do invested in City of Quebec bonds	15,000 00		
Balance of price Q. M. O. & O. Ry., unpaid	7,000,000 00		
		7,600,000 00	
Province of Quebec 3% Inscribed Stock		10,677 78	
Railway grant under Dominion Act 47 Vic., Cap. 8		2,394,000 00	
Cash in Banks		490,663 59	
Cost of Jacques Cartier School, Montreal, to be repaid from sale of property		5,391 11	
Claim *in re* late Honble. Thomas McGreevy		100,000 00	
Advances to various parties		161,832 89	
Quebec Court House tax, under 45 Vic., Cap. 26, and 48 Vic., Cap. 16.		200,000 00	
			10,962,565 37
Excess of Liabilities over Assets at 30 June, 1898			$25,830,523 57

A comparison of the foregoing statement with the statement of liabilities and assets at 30th June, 1397 will show that the following changes have been made by the payments and receipts during the year.

Excess of liabilities over assets, 30th June, 1897			$25,491,658 16
Increase of liabilities :			
Trust deposits.....		$46,964 50	
Funded debt by conversion.....		174,495 44	
		$ 221,459 94	
Decrease of liabilities			
Funded debt by redemption.....	$ 87,307 99		
Railway guarantee deposits.	237,471 86		
Railway subsidies.....	196,284 24		
Outstanding warrants.....	251,617 72		
		$ 772,681 81	
			551,221 87
			$ 24,940,436 29
Increase of assets :			
3 per cent Inscribed stock sinking fund.....		10,677 78	
Decrease of assets :			
Cash on hand.....		900,765 06	
			890,087 28
Excess of liabilities over assets, 30th June, 1898.....			$25,830,523 57

Excess of liabilities, June 30th, 1897.....	$25,491,658 16	
do do do do 1898.	25,830,523 57	
Increase of liabilities.....		$338,865 41
Increase of capital of funded debt by conversion.....		174,495 44
		$164,369 97

Accounted for as follows :—

Public works buildings extraordinary.....		$50,683 70	
Aylmer court house fund.....		20,451 69	
Ottawa do do		1,829 12	
Q. M. O. & O. Ry. construction.....		2,360 90	
Deficit between ordinary revenue and ordinary expenditure including redemption of bonds of 1880 and purchase of inscribed stock for sinking fund.....	187,030,33		
Less $87,307.99 by which the liability for funded debt has been diminished, and $10,677.78 by which the asset for sinking fund has been increased, provided for from ordinary revenue.....	97,985 77		
		89,044 56	
			$ 164,369 97

FUNDED DEBT.

At the 30th June, 1897, the Funded Debt outstanding was..	$ 34,196,654 08	
At the 30th June, 1898 it amounted to.....	34,283,841 53	
Increase of Funded Debt during 1897-98	$	87,187 45

Accounted for as follows :—

3 per cent. Inscribed Stock issued for conversion of $646,220.01.....	$ 820,715 45	
Less :		
Bonds of the loan of 1880 redeemed.....	$ 87,307 99	

Bonds of various loans redeemed in conversion of debt	646,220 01		
		$ 733,528 00	
			$ 87,187 45

There has been invested during the year for the Sinking Fund the sum of $10,677.78 bringing the Sinking Fund invested up to the amount of $10,004,-677.78, leaving the net amount of the Funded debt $24,279,163.75.

FLOATING DEBT.

At the 30th June 1898, the floating debt consisted of :

Temporary loans.....	$ 700,000 00
Trust deposits.....	334,003 97
Railway Companies Guarantee Deposits.....	132,702 49
Outstanding Warrants.....	191,639 36
Railway Subsidies granted but not earned.....	925,682 84
Loss on Exchange Bank Deposit.....	25,218 75
Making a total of.....	$ 2,309,247 41

Against which we have :

Cash in Banks.....	$490,663 59	
Claims for loans and advances against individuals and corporations amounting to.....	277,224 00	
		767,887 59
Leaving the balance of floating debt.....		$1,541,359 82

Before leaving the subject of the public debt I would call attention to the heavy burden which is imposed on our revenue by the interest and charges thereon.

The interest alone amounted during the last fiscal year to $1,476,558.36 an amount more than $200,000 in excess of the whole year's subsidies and interest

on Trust Funds received from the Dominion, while the whole expenditure on the Public Debt for the year, including Sinking Funds, redemption and charges amounted to $1,591,177.63 which had to be paid out of a revenue of $4,177,-656.35, leaving a balance of $2,586,478.72 to provide for all other services of the Government. It must be remembered that our revenues are generally speaking not progressive in proportion to the increased demands made on the Government for education, administration of justice, agriculture and colonization, owing to the increase of our population. Our subsidy is a fixed amount. The revenue from Crown Lands cannot be expected to be much, if any, larger than it now is. The revenue from licenses depends largely on the determination of the municipalities of the number which shall be granted.

Under the circumstances it is difficult to see how the Government could be justified in adding to the Public Debt by borrowing for the purposes of granting new subsidies to railways.

The amount already paid in Cash subsidies to railways to the 30th June, 1898, is	$12,033,544 16
And the cost of the Q. M. O. & O. Ry. to the province after deducting the price of its sale and the Dominion grant towards its cost is	3,962,319 73
Net cash paid	$15,995,863 89

To which is to be added the discount on the Bonds sold and the expenses in issuing the loans to provide for these payments, amounting to at least $2,000,000.00, making the portion of the Funded Debt which has been incurred for Railways nearly $18,000,000, and the Province is liable for more than $900,000 of subsidies still to be earned.

CONVERSION OF DEBT, UNDER 60 VICTORIA, CHAPTER 2.

During the currency of the fiscal year 1897-98 the Bank of Montreal, in the terms of the contract approved by Order in Council of the 17th April, 1997, converted the following bonds of the Province :

Loan of 1874	$ 51,586 67	
do 1876	58,400 00	
do 1878	144,000 00	
do 1880	21,900 00	
do 1882, Quebec	273,000 00	
do 1894	97,333 34	
		$646,220 01
The premium paid on these bonds amounted to		92,456,27
		$738,676 28
The discount on Inscribed Stock issued amounted to		82,039 17
Amount of 3 per cent Inscribed Stock issued		$820,715 45

The principal of the debt was therefore increased during the year by the sum of $174,495.44.

The total amount converted to 30th June, 1898, is		$ 3,371,553 35
For which has been issued 3 per cent Inscribed Stock for		4,171,700 20
Increase of principal of Debt		$ 800,146 85
The annual interest on the $3,371,553.35 of converted bonds was		$ 140,241 50
The annual interest on the $4,171,700.20 of Inscribed Stock is	$ 125,151 00	
The annual Sinking Fund required to redeem $800,146.85 increase of principal of debt in 40 years is	10,611 82	
		$ 135,762 82
Annual saving until the date when the original bonds commence to mature		$ 4,478 68

Against the annual saving is to be put the commutation of stamp duties on the $4,171,700.20 amounting to $26,123.15.

During the first six months of the current fiscal year to 31st December, 1898, the conversion of debt has proceeded more rapidly than previously. The amount of Bonds converted during that period being $3,571,790.63 replaced by 3 per cent inscribed stock for $4,399,887.50. So that the total amount of bonds converted to the present date is $6,943,343.98, replaced by 3 per cent. inscribed Stock for $8,571,587.70, the principal of the Funded Debt having been increased by the sum of $1,628,243.72.

ARBITRATION.

The question of the arbitration which has been pending since 1893 between the governments of Ottawa, Ontario and Quebec with a view to the final settlement of accounts between them, is of such importance from the standpoint of our financial interests that I have thought proper this year to give you, in as few words as possible, the history of the various claims still pending respecting which the governments are at issue and which have been submitted to the decision of arbitrators. These decisions have been numerous and the opposing parties have accepted most of them. There are others with respect to which an appeal has been taken to the Supreme Court and to the Privy Council with varying results, as will be seen hereafter.

In this statement I have been able to give an account of the various incidents that have occurred in the course of the arbitration with sufficient details to put the House in full possession of information on this important subject, and it is my pleasant duty to here state that my task has been greatly facilitated by the assistance of Mr. Machin, the Assistant Treasurer, whose long continued labors and painstaking searches have made him exceptionally competent in this matter.

INCREASED ANNUITIES TO INDIANS OF LAKES HURON AND SUPERIOR.

On the 7th January, 1898, the Arbitrators made their award in the case of the Dominion against Ontario and Quebec conjointly, representing the old Province of Canada, for increased annuities to the Indians of Lakes Huron and Superior, payable under the terms of the Robinson Treaties of 1850, by which very large territories were conceded by the Indians to the Province of Canada, these territories now being in the Province of Ontario. The consideration for the

cession of these territories was an amount of money paid at the time of the treaties, certain fixed annuities to the members of the tribes, and the treaties further provided that "should the territories ceded, at any future period produce "such an amount as will enable the Government of the Province of Canada "without incurring loss to increase the annuities, the same shall be augmented "from time to time, provided that the amount paid to each individual shall not "exceed the sum of one Pound, Provincial Currency, or such further sum as Her "Majesty may graciously be pleased to order."

The fixed annuities were capitalized at Confederation and included in the debt of the Province of Canada. No claims were made for increased annuities until 1875, when they were the subject of correspondence between the Dominion and Ontario, Quebec at that time not being considered to be interested.

These claims were among those matters agreed to be submitted to the present Board of Arbitrators and, on the 5th October 1893, the Dominion fyled their claim, on behalf of the Indians, against the old Province of Canada for increased annuities and interest from the time of the treaties until Confederation and against the Province of Ontario for the increased annuities and interest from and after the date of Confederation.

The case was argued at great length in November, 1894, and, on the 13th February, 1895, the Arbitrators made an award to the effect that the Indians were entitled to increased annuities for any year in which the territories produced an amount which would have enabled the Government to pay them without incurring loss. That the liability before Confederation was a debt of the old Province of Canada, for which Ontario and Quebec are conjointly liable, and that the Province of Ontario was liable for any increased annuities payable after Confederation.

Ontario appealed from the award to the Supreme Court and asked that it should be declared that the Dominion is solely liable for the increased annuities, or that, if Ontario is held liable at all, it should be held liable, jointly with Quebec, and not separately.

Quebec appeared in the appeal and argued that the award should be maintained on the ground that these annuities are a trust on the lands ceded and that, as Ontario received after Confederation the whole of the revenues, it would be unfair to call on Quebec to pay any share of the increased annuities after Confederation.

The Supreme Court allowed Ontario's appeal and decided that there was no trust on the lands,—two of the five judges being of opinion that the appeal should be dismissed and the award maintained.

From the judgment of the Supreme Court, the Dominion and Quebec appealed to the Privy Council, who dismissed the appeal and maintained the judgment.

In January, 1897, the Dominion therefore fyled its claim for the increased Indian Annuities subsequent to Confederation against the Provinces of Ontario and Quebec conjointly. The case was argued in November, 1897, and the award of the arbitrators of the 7th January, 1898, is as follows :

"That in ascertaining and determining the debt of the Province of Canada "mentioned in the 112th section of the British North America Act, 1867, the "contingent obligation devolving upon the Dominion of Canada to pay the increas-"ed annuities mentioned in the Robinson Treaties of the 7th and 9th September, "1850, and any increased annuities which have become due to the Indians since "the first day of July, 1867, up to and including the 31st day of December, 1892, "shall be taken into account, and included in such debt."

The Honorable Chief Justice, Sir L. N. Casault, at the close of his reasons for the award says : "Mr. Hall, for Quebec, has again referred to the question of "equity. It cannot be doubted that the position of Quebec is made a very hard "one, as it is awarded to pay its share of annuities which will be determined by "the excess of profits which Ontario will derive from the lands made her's by the "Act of Confederation. I must say that I would have favored that being made "the ground of our first award, but it was thought otherwise by the other Arbi-"trators, and I did not dissent. After having decided against Ontario, as a "question of law, and our award having been reversed by an appeal, I do not "think we could decently overthrow the decisions of the Appeal Courts, by "adopting another ground to maintain our first award, or refuse the Dominion a "recourse which it clearly has by law.

And in the conclusion of the reasons of the Honorable Mr. Justice Burbridge, he says :

"Then for the Province of Quebec it is contended that this burden should be put "on the shoulders of Ontario alone. As a matter of law there is no ground on "which that can be done. It has been decided that Ontario takes the ceded terri-

"tory free from any individual obligation to bear the burden and that makes an end "of that matter. But it is pointed out that we are not "bound to decide" any "questions submitted to us according to strict rules of law but may decide upon "'equitable principles,' and we are asked as a matter of equity and fairness to "relieve Quebec from any share in the burden. As to that I can only repeat "what I said on a former occasion that, considered as an isolated transaction, it seems "to me unjust and inequitable that Quebec should bear any part of the burden "while Ontario has all the advantages to be derived from this vast territory with "its immense possibilities for revenue. But the transaction is not isolated. It "forms part of a complicated arrangement, the terms of which the parties have "themselves settled and which, as a whole, must be taken to be fair and equitable."

This Government on the advice of counsel, appealed from the award to the Supreme Court, taking the ground that Quebec ought not to be adjudged to bear any part of the burden of the increased annuities; that during nearly thirty years the Dominion and Ontario have interpreted the matter as one in which Quebec was not concerned, which interpretation Quebec invoked as correct; that by the terms of the Treaties the Government was only liable to pay the increase when it could do so without incurring loss and that, as Ontario received all the revenues from these territories, the greater the revenue the greater would be Quebec's loss in paying. Quebec also claimed that, as a matter of law, the liability that arose in any year after Confederation to pay increased annuities was not a debt of the Province of Canada at the time of Confederation.

The appeal was dismissed and it was not deemed advisable to incur the expense of an appeal to the Privy Council in view of their previous judgment.

It now, therefore, remains to determine in what years the excess of revenue over expenses in these territories entitles the Indians to increased annuities and to what extent. Before Confederation there were few, if any years when the revenues exceeded the expenditures, but since Confederation Ontario has derived very large revenues from the timber and other products. It is to be hoped that she will be able to show an equally large expenditure.

I have thought it advisable to give the House the full history of this matter, because it is a very serious one for this Province, involving not only the claim formulated by the Dominion for arrears of these increased annuities from 1850 to December 1892, but the liability, so long as the tribes shall exist, for these increased

annuities, of which Quebec's share under the decisions of the Arbitrators and the Courts is about four-ninths.

The claim of the Dominion for these increased annuities to December 1892, with interest, amounts to the sum of $536,306, but it is expected, from the statements furnished by Ontario of their expenditures in the territories, that this will, under the rulings of the Arbitrators, be considerably reduced. It must, however, be remembered that the numbers of these tribes appear to be rather increasing than diminishing.

It is unfortunate for this Province that the Arbitrators did not see fit to make their first award on the ground of equity, which would have been fully within their powers, as in that event Quebec would have been relieved from a burden which I cannot refrain from saying is an unjust one for this Province to bear.

It was clearly the intention of the treaties that the beneficiaries by the revenues to be derived from the ceded territories should bear the burden of the increased annuities, and Quebec has no share in these revenues, but must pay her share of the annuities from the revenues arising from taxes on her population and from the receipts from her Crown lands, not one acre of which consists of territory ceded by the Indians to the Province of Canada, while a great part of the present territory of Ontario consists of lands acquired by treaties from the Indians by the Province of Canada after the Union of 1840.

The statements furnished by Ontario shew that at Confederation there was comprised within the territory of Ontario 37,443,000 acres remaining unsold, of the lands ceded under the Robinson Treaties by these Indians of lakes Huron and Superior, and that the revenues received by Ontario between Confederation and the 31st December, 1892, from these lands, amounted to $6,444,642.00, while by the same statements Ontario claimed to have expended during the same period on account of these territories an amount of $2,676,428.00, leaving a net revenue of $3,763,214.00, and still on the 31st December, 1892, there remained unsold 36,333,000 acres, the property of Ontario.

In view of the above facts we cannot help feeling that since the highest courts have declared that, according to law, Quebec must pay, at a dead loss, in proportion to the enormous gains of Ontario, it is unfortunate for our Province that the arbitrators did not give their decision according to equity, which they had a right to do.

COMMON SCHOOL FUND

Judgments were rendered by the Supreme Court in June last, dismissing the appeals of both Ontario and Quebec from portions of the award of the Arbitrators of the 6th February 1896, in the Common School Fund case, referred to in my last budget speech.

The effect of this judgment is to maintain the award. The interest of Quebec, therefore, in the fund is confirmed, and, at the same time, the transfer of $124,685.18 from the fund in the hands of the Dominion at Confederation to the Upper Canada Improvement fund by the arbitrators in 1870 is confirmed.

In the examination of the accounts of the sales of Common School Fund Lands, it was ascertained by the accountants on the part of Quebec, that a very large number of remissions had been made to parties indebted for these lands without obtaining any consent on the part of Quebec to such remissions. These remissions were made under the authority of an act of Ontario of the 2nd March, 1872, which authorized the Lieutenant-Governor in Council to reduce the price of any Common School Lands sold previous to 1st July 1867, and also authorized him to make rebatements of the arrears of interest upon the unpaid purchase price of such lands. The act further provided that such reductions and abatements should be made only in respect of and in proportion to the share of interest of the Province of Ontario in such lands and the price thereof, and not in any wise to extend to or affect the share of the interest of Quebec. It moreover provided that these reductions and abatements should be effected by paying out of the Consolidated Revenue Fund of Ontario the amount thereof to the party entitled thereto, on his paying the full amount of the purchase money and interest.

It appeared on examination of the books that, instead of these reductions being paid out of the consolidated fund of Ontario, the full amount had been deducted from the indebtedness of the party to the Common School Fund. Quebec, therefore, claimed before the arbitrators that the full amount of these remissions which exceeded $270,000 in all, should be accounted for by Ontario as moneys received on account of the sales of the Common School lands. The second award of the arbitrators on the Common School Fund of the 6th March, 1896, provides that "any sum of money due for principal or interest from any purchaser of the said Common School lands, remitted by the province af Ontario to the purchaser, and any sum of money due for principal and interest from any purchaser of said lands, at the time

when letters patent for such lands were issued to him and not collected by the province, shall be treated, in all respects, as moneys received by the province on account of the Common School lands, unless it be shown by the province that such remissions were made in a fair and prudent administration of the lands and fund, or that there was good cause for not collecting the same."

A correspondence has taken place between the counsel of Ontario and the counsel of Quebec as to the best and shortest method of submitting these remissions to the arbitrators for decision as to the liability of Ontario in respect of the same, and, at the last meeting of the board held in Montreal on the 4th January, 1899, it was decided that the arbitrators would, early in March, meet in Toronto, where all the books of account, with respect to the sale of Common School lands and the records in respect of the remissions, are in the possession of the Government of Ontario.

It yet remains to be decided by the arbitrators whether the basis of the division of the income of the Common School Fund since Confederation shall be that of the census of 1861, or of each decennial census since that period, or any other basis, and argument was heard on this subject at the last meeting of the arbitrators.

THE ACCOUNTS.

By an award of the arbitrators of the 7th January, 1898, the claim of the Dominion against the Province for $46,270.30 paid R. H. McGreevy and of the sum of $12,875 paid to Charles Garth and of the sum of $2,947.41 paid to Ward and O'Leary in respect to the Public Building in Ottawa, was dismissed.

In the statement of the Province of Canada account, differences of opinion existed between the representatives of the Dominion and those of the Provinces on the following questions viz. (1) Whether interest should be calculated on the intermediate payments and receipts during each six months from the 1st July 1867 to the 1st January 1873 and deducted from the subsidy, or whether interest should only be calculated on the excess of debt as actually ascertained at the beginning of each of six months; (2) Whether the balances at the credit of the account at the 23rd May 1873 should be carried into the accounts of Ontario and Quebec or continued in the account; (3) Whether interest should be calculated on the excess of debt from 1st January to the 23rd May 1873.

By an award of the arbitrators of the 2nd December 1898, the contentions of the Provinces were sustained.

It may appear that the proceedings of the Arbitration have been exceptionally extended, but the importance of the work performed is very great and the number of complicated questions which these Arbitrators were called upon to decide has been considerable. The extended delays occasioned by appeals before the Supreme Court and the Privy Council, must also be taken into account.

We may now hope that no further delays will occur and that this important matter, which has been in suspension since Confederation, will soon be terminated.

CONCLUSION

The House will pardon my entering into these, perhaps, tedious details, but I have deemed it right to state the situation as frankly and clearly as possible without exaggeration or concealment of any kind, so that it may be enabled to properly judge the policy which we have hitherto pursued and which we are determined to pursue until our object has been attained.

That object was traced out for us by the popular voice, which found such emphatic expression during the last general elections. We have received an imperative mandate to restore the equilibrium in our finances and to stop the abnormal growth of the public debt.

The task is difficult, painful even, but with the continuance of the generous and patriotic support which the majority of this House have so cordially extended to us thus far, we do not despair of achieving it.

Already, upon the operations of a single year, we have pulled down the deficit of the previous year by no less a sum than $623,000.00. This is a promising beginning, which warrants the hope that our efforts will be crowned with complete success in the near future.

In the meantime, it will be our imperative duty to vigorously press the collection of the public revenue and to limit the expenditure to the strictest necessities of the hour. This, however, does not mean that we shall refuse our support to useful enterprises and deserving works, but we are imperatively obliged to avoid the largesses—shall I say the extravagances—of the past, from the effects of which we suffer so seriously to-day, by keeping our gratuities and our benefactions within the limits of our means. To exceed these limits would mean new loans, which, in turn, would involve new taxes to meet the interest and other expenses. It is this alternative that we desire to avoid and we shall avoid it, if the members of the House are willing to second us.

STATEMENT A.

Year.	Payments.	Receipts.	Deficit.
1889-90.....	$4,969,489.68	$3,588,920.50	$1,380,569.18
1890-91.....	5,195,049.43	3,750,313.34	1,444,236.09
1891-92.....	5,236,768.62	3,494,117.60	1,742,651.02
1892-93.....	4,492,106.21	4,467,278.21	24,828.00
1893-94.....	4,550,629.50	4,320,427.22	230,202.28
1894-95.....	4,506,633.31	4,343,971.65	162,661.66
1895-96	4,415,268.52	4,359,594.91	55,673.61
1896-97.....	4,907,281.71	3,923,238.70	984,043.01
1897-98.....	4,449,045.48	4,236,015.14	213,030.34

The amounts included in receipts, coming from new sources of revenue created in 1892, are as follows:

1892-93.....	$493,591 75
1893-94.....	518,406 11
1894-95.....	487,398 45
1895-96.....	444,856 02
1896-97.....	318,200 22
1897-98.....	196,737 99

STATEMENT B.

188 -90.

PAYMENTS :

Ordinary expenditure, (including $62,133-95 for Bonds of Loan of 1880, redeemed)		$3,881,672 95	
Special expenditure		818,583 51	
Advances and Payments of Trusts Funds		14,163 98	
Repayment—Railway Guarantee Deposits		255,069 24	
			$4,969,489 68

RECEIPTS :

Ordimary Revenue		$3,540,607 07	
Receipts from sales of property	$30,000 00		
Trust Funds, Deposits and Receipts on advances	18,313 43		
		48,313 43	
			3,588,920 50
Deficit			$1,380,569 18

1890-91.

PAYMENTS :

Ordinary Expenditure (including $64,970 for Bonds of Loan of 1880, redeemed)		$4,095,520 45	
Special Expenditure		820,254 15	
Repayment—Railway Guarantee Deposits		222,097 41	
Advances and Payments of Trust Funds		57,177 42	
			5,195,049 43

RECEIPTS :

Ordinary Revenue		$3,457,144 32	
Trust Funds, Deposits and Receipts on advances	15,149 02		
Railway Guarantee Deposits	278,520 00		
		293,669 02	
			3,750,813 34
Deficit			$1,444,236 09

1891-92

PAYMENTS :

Ordinary Expenditure (including $68,121. 16 for Bonds of Loan of 1880, redeemed	$4,446,639 60	
Special Expenditure	551,041 88	
Payments of Trust Funds	8,017 00	
Repayment—Railway Guarantee Deposits	231,070 14	
		$5,236,768 62

RECEIPTS :

Ordinary Revenue	$3,458,403 85	
Trust Funds, Deposits and Receipts on Advances	19,723 87	
Municipal Loan Fund	3,000 00	
Refunds on Special Expenditure	5,870 38	
Tax on Railway Subsidies	5,675 50	
Refund : Q. M. O. & O. Ry	1,444 00	
		3,494,117 60
Deficit		$1,742,651 02

1892-93.

PAYMENTS :

Ordinary Expenditure (including $71,053.33 for Bonds of Loan of 1880, redeemed)	$3,952,258 75
Extraordinary Expenditure (Public Buildings)	238,264 10
Payments on Trust Deposits	13,147 08
Loans to sufferers by Wind Storms	48,030 89
Repayment—Railway Guarantee Deposits	240,405 39
	$4,492,106 21

RECEIPTS :

Ordinary Revenue	$3,891,062 73		
do New Taxes	493,591 75		
		$4,384,654 48	
Receipts from Sales of Property	7,116 00		
Trust Fund Deposits	15,770 37		
Receipts on Advances	50,000 00		
Tax on Railway Subsidies	9,737 36		
		82,623 73	
			4,467,278 21
Deficit			$24,828 00

PAYMENTS:	**1893-94.**		
Ordinary Expenditure (including $73,973 33 for Bonds of Loan of 1880, redeemed)			$3,876,990 83
Extraordinary Expenditure (Public Buildings)			390,955 24
Payments on Trust Deposits			13,081 78
Loan—Sisters of Charity, Beauport Asylum			19,395 60
Repayment—Railway Guarantee Deposits			250,117 25
Costs of Collection Tax on Railway Subsidies			88 80
RECEIPTS:			$4,550,629 50
Ordinary Revenue	$3,740,322 45		
do New Taxes	518,406 11		
		$4,258,728 56	
Receipts from Sales of Property	1,805 05		
Trust Fund Deposits	10,161 13		
Tax on Railway Subsidies	49,732 48		
		61,698 66	
			4,320,427 22
Deficit			$230,202 28
PAYMENTS:	**1894-95**		
Ordinary Expenditure (including $77,866 66 for Bonds of Loan of 1880, redeemed)			$4,043,228 43
Extraordinary Expenditure (Public Buildings)			146,756 60
Expenses *in re* sale of Chateau Ramezay Property			5,742 41
Payments on Trust Deposits			17,390 26
Special Deposits *in re* Confirmation of Title to Property Q. M. O. & O. Railway			5,550 00
Loan—Sisters of Charity, Beauport Asylum			25,000 00
Repayment—Railway Guarantee Deposits			260,223 01
Costs of Collection Tax on Railway Subsidies			2,742 60
RECEIPTS:			$4,506,633 31
Ordinary Revenue	$3,734,289 39		
do New Taxes	487,398 45		
		4,221,687 84	
Receipts from Sales of Property Château Ramezay	100,340 28		
Trust Fund Deposits	10,048 85		
Return of Deposit *in re* Confirmation of Title to Property Q. M. O. & O. Railway	5,550 00		
Tax on Railway Subsidies	6,344 68		
		122,283 81	
			4,343,971 65
Deficit			$162,661 66

1895-96.

PAYMENTS:			
Ordinary Expenditure (including $80,786.67 for Bonds of Loan of 1880, redeemed			$4,041,221 66
Extraordinary Expenditure (Public Buildings)			58,485 34
Payments on Trust Deposits			17,459 02
Repayment—Railway Guarantee Deposits			268,241 39
Tax on Railway Subsidies			
Costs of Collection		$ 1,962 07	
Refund		27,899 04	
			29,861 11
			$4,415,268 52
RECEIPTS:			
Ordinary Revenue	$3,883,054 53		
do New Taxes	444,856 02		
		4,327,910 55	
Trust Fund Deposits	27,662 64		
Tax on Railway Subsidies	3,285 62		
Redemption of Loan 1876, refund of balance of amount held in London for investment	736 10		
		31,684 36	
			4,359,594 91
Deficit			$ 55,673 61

1896-97.

PAYMENTS:			
Ordinary Expenditure (including $84,680 for Bonds of Loan 1880, redeemed			$4,677,095 20
Extraordinary Expenditure (Public Buildings)			176,832 28
Purchase of Property			30,000 00
Payments on Trust Funds			14,999 01
Tax on Railway Subsidies:			
Costs of Collection		$ 413 17	
Refunds of Taxes Collected		7,942 05	
			8,355 22
			$4,907,281 71
RECEIPTS:			
Ordinary Revenue	$3,556,602 96		
do New Taxes	318,200 22		
		3,874,803 18	
Sale of property	2,500 00		
Trust Fund Deposits	45,772 48		
Tax on Railway Subsidies	163 04		
		48,435 52	
			3,923,238 70
Deficit			$984,043 01

1897-98.

PAYMENTS :

Ordinary expenditure (including $87,307 99 for Bonds of Loan of 1880 redeemed)			$4,364,686 68
Extraordinary expenditure (Public Buildings)			50,683 70
Payments on Trust Funds			33,675 10
			$4,449,045 48

RECEIPTS :

Ordinary Revenue	$3,979,401 64		
do New Taxes	196,737 99		
		4,176,139 63	
Trust Fund Deposits	58,358 79		
Tax on Railway Subsidies	1,516 72		
		59,875 51	
			4,236,015 14
Deficit			$ 213,030 34

STATEMENT C.

RECEIPTS.

	1893-94	1894-95	1895-96	1896-97	1897-98
	$ c.	$ c.	$ c.	$ c.	$ c.
Dominion of Canada	1,278,376 11	1,277,799 42	1,231,798 59	1,257,183 70	1,266,413 48
Crown Lands	905,163 96	866,032 10	1,045,310 19	879,893 26	.....
Lands, Forests and Fisheries	.....	.....	.....	.....	1,087,042 52
Mines	.....	.....	.....	.....	7,872 67
Law Stamps	184,245 00	187,314 60	186.278 50	177,426 80	182,490 40
Registration Stamps	29,545 95	64,054 02	61,338 51	63,875 90	66,423 95
Building and Jury Fund	24,596 46	41,579 26	23,828 40	27,565 83	23,433 81
Law Fees	11,495 70	12,166 84	14,329 34	9,654 38	16,642 96
Municipalities for maintenance of prisoners	8,122 71	9,322 05	11,322 06	12,751 96	8,121 18
Montreal Court House	2,372 28	3,353 28	4,381 94	2,123 88	5,155 79
Montreal Gaol	4,376 99	4,550 47	2,374 59	2,946 94	1,578 02
Gaol Guards, Montreal and Quebec	10,200 00	2,400 00	13,600 00	2,800 00	4,000 00
Prisoners' earnings, Quebec Gaol	186 60	192 15	42 01	140 75	192 66
do do Bedford do	16 25	.....	.....	.....	.....
do do Terrebonne do	.....	20 00	.....	.....	.....
do do Ste. Scholastique do	.....	.....	.....	.....	13 60
Gaol Farm, Quebec	.....	.....	10 00	.....	.....
Fines, Justice	340 40	130 40	147 50	246 60	136 50
High Constable's fees, Quebec	456 03	541 22	413 41	540 29	683 10
Licenses	636,052 34	605,918 78	663,087 46	586,176 42	615,043 83
Direct Taxes on Commercial Corporations	142,854 50	160,756 16	148,643 86	134,404 03	194,312 36
Tax on transfers of property	246,860 50	185,870 70	184,254 50	74,856 99	2,055 81
Direct Taxes on certain persons	15,293 70	17,059 29	17,507 67	3,507 74	1,380 18
Manufacturing and Trading Licenses	106,428 45	121,932 96	79,728 52	10,393 77	29,846 74
Duties on Successions	149,823 46	162,535 50	163,365 33	229,441 72	163,455 26
Percentage on fees of Public Officers	14,765 37	7,347 79	8,125 67	6,671 83	8,550 07
Percentage on renewals of Mortgages	180 96	307 79	165 44	163 04	128 10
Legislation	8,236 27	6,068 59	11,491 51	8,391 39	8,780 12
Lunatic Asylums, Municipal Contributions	18,955 66	21,697 13	35,005 69	7,703 59	63,544 63
do Paying Patients	407 49	151 15	78 00	1,638 98	2,127 85
Reformatory and Industrial Schools	2,289 06	5,688 51	12,366 76	923 72	36,386 84
Quebec Official Gazette	20,774 41	21,835 47	23,182 60	21,637 58	20,958 55
Casual Revenue	5,870 13	6,114 02	4,880 85	7,570 62	8,121 49
Civil Service Contributions for Pensions	7,125 49	6,677 95	6,028 77	5,712 61	5,514 35
Provincial Insurance Companies, towards expenses of inspection	520 84	429 16	400 00	376 33	397 86
[illegible] Buildings, Rents	1,878 63	1,062 60	1,063 60	785 60	1,060 00

Reformatory and Industrial Schools	2,289 66	5,688 51	[illegible]	[illegible]	[illegible]
Quebec Official Gazette	20,774 41	21,835 47	23,182 60	21,637 58	20,958 55
Casual Revenue	5,870 13	6,114 02	4,880 85	7,570 62	8,121 49
Civil Service Contributions for Pensions	7,125 49	6,677 95	6,028 77	5,712 61	5,514 35
Provincial Insurance Companies, towards expenses of inspection	520 84	429 16	400 00	376 33	397 86
Public Works and Buildings, Rents	1,878 63	1,062 60	1,063 60	785 60	1,060 60
Railway Inspection Fees	516 00	516 00	492 00	204 00	72 00
Interest on Loans and Deposits	26,438 87	23,095 38	17,437 79	35,556 71	40,452 29
Premium, Discount and Exchange	7,046 19	3,949 36	29 00	2,141 15	2,916 72
Interest on price of sale, Q. M. O. & O. Ry	369,622 58	368,327 96	333,057 98	299,395 07	300,833 34
Refunds	16,223 82	24,180 38	21,897 81	.....	.....
Quebec Fire Loan	580 00	220 00	200 00	.....	.....
Dominion of Canada, General Account	489 40	489 40	244 70	.....	.....
	4,258,728 56	4,221,687 84	4,327,910 55	3,874,863 18	4,176,139 63
Sales of properties in Montreal and Quebec	1,805 05	100,340 28	.....	2,500 00	.....
TRUST FUNDS, REPAYMENTS, &c.:—					
Repayment of Advances	.....	5,550 00	.....	.....	.....
Teachers Pension Fund	.....	202 22	7,789 57	3,951 21	1,022 70
City of Hull Sinking Fund	153 99	158 63	163 40	167 63	173 84
Pointe à Gatineau Sinking Fund	.....	100 00	100 00	100 00	100 00
Council of Agriculture	.....	286 00	.....	.....	.....
Heirs and Estate F. E. Roy	.....	1,584 00	880 50	884 50	886 10
Marriage License Fund	7,470 00	7,218 00	7,221 00	6,693 00	6,864 00
Security Deposits Public Officers	1,994 38	500 00	1,508 17	1,000 00	563 00
Deposit, St. Lawrence Fire Ins. Co	.....	.....	10,000 00	15,000 00	.....
Aylmer Court House Fund	42 76	.....	.....	17,976 14	.....
Deposit *in re* Julie Labbé	500 00	.....	.....	.....	.....
Reimbursement Railway Subsidies Fund	49,732 48	6,344 68	3,285 62	163 04	1,516 72
Deposits under 59 Vict., Cap. 34	.....	.....	.....	.....	5,000 00
do do 61 Vict., Cap. 39	.....	.....	.....	.....	25,000 00
Hull Court House Debentures Sinking Fund	.....	.....	.....	.....	968 15
Building and Jury Fund District of Rimouski; Insurance on Court House and Gaol	.....	.....	.....	.....	17,781 00
	4,320,427 22	4,343,971 65	4,358,858 81	3,923,238 70	4,236,015 14
Temporary Loans	870,000 00	2,460,000 00	300,000 00	700,000 00	.....
Proceeds Loan of 1893	3,860,073 34	.....	.....	.....	.....
do 1894, (London)	2,742,076 73	2,723 27	.....	.....	.....
do do (Paris)	.....	4,106,391 52	.....	.....	.....
Redemption Loan 1896. (Refund)	.....	.....	736 10	.....	.....
Proceeds Loan 1896	.....	.....	2,044,000 00	1,124,200 00	.....
do 1897	.....	.....	.....	1,224,000 00	.....
Proceeds of Inscribed Stock issued in conversion of Debt	.....	.....	.....	3,015,853 86	738,676 28
Cash on hand at 1st July of each year	365,355 91	546,732 00	543,033 37	784,799 49	1,391,428 65
	12,157,933 20	11,459,818 44	7,246,628 28	10,772,092 05	6,366,120 07

STATEMENT D.

EXPENDITURE.

	1893-94	1894-95	1895-96	1896-97	1897-98
	$ c.	$ c.	$ c.	$ c.	$ c.
Public Debt	$1,437,932 67	$1,486,660 62	$1,497,429 99	$1,550,874 16	$1,591,177 03
Legislation	207,076 77	198,543 50	195,549 27	288,623 41	210,910 19
Civil Government	256,725 24	251,256 54	253,401 69	277,247 91	282,585 08
Administration of Justice	548,038 05	608,327 29	568,544 28	662,665 77	618,379 65
Public Instruction	380,760 00	383,726 45	382,759 76	410,060 00	434,260 00
Agriculture, Colonization, and Immigration	242,864 01	290,636 62	286,814 09	404,695 75	307,476 97
Public Works and Buildings:					
Ordinary	101,037 86	110,257 32	97,544 64	165,783 76	127,483 73
Extraordinary	390,955 24	152,499 01	58,485 34	176,832 28	50,683 70
Asylums and Charities	325,082 00	323,047 25	36,078 25	358,616 77	339,375 75
Miscellaneous (including payments by Revenue officers out of collections)	376,874 23	390,772 84	[illegible],099 60	558,527 67	453,038 28
	4,267,946 07	4,195,727 44	4,099,707 00	4,853,927 48	4,415,370 38
Purchase of property	.....	.....	.....	30,000 00	.....
Repayment Railway Guarantee Deposits	250,117 25	280,223 01	268,241 39	381,187 62	237,471 86
Advances	19,395 60	30,550 00	.....	.....	.....
Trust Funds	13,081 78	17,390 26	17,459 02	14,999 01	33,675 10
Reimbursement Railway Subsidies Fund. Costs of Collection and Refunds	88 80	2,742 60	29,861 11	8,355 22	.....
	4,550,629 50	4,506,633 31	4,415,268 52	5,288,469 33	4,686,517 34
Railway Subsidies and Q. M. O. & O. Railway	975,426 69	854,519,92	250,186 59	1,346,475 01	198,645 14
	5,526,056 19	5,361,153 23	4,665,455 11	6,634,944 34	4,885,162 48
Temporary Loans repaid	2,070,000 00	1,500,000 00	1,760,000 00	.....	.....
Redemption of debt:					
Loan of 1891	3,860,000 00	.....	.....	.....	.....
do 1893	.....	4,106,461 00	.....	.....	.....
Part of do 1874 & prem.	.....	.....	.....	.....	56,048 90
do do 1876 do	.....	.....	.....	.....	64,794 80
do do 1878 do	.....	.....	.....	.....	163,584 00
do do 1880 do	.....	.....	.....	.....	24,079 04
do do 1882 do	.....	.....	.....	.....	322,849 80
do do 1894 do	.....	.....	.....	.....	107,319 74
do do* 1896 do	.....	.....	.....	3,015,853 86	.....
	11,456,056 19	10,967,614 23	6,425,455 11	9,650,798 20	5,623,838 76
Add: Payment of Warrants outstanding at 30th June, 1893, 1894, 1895, 1896, 1897	313,811 81	158,666 80	209,495 96	173,122 28	443,257 08
	11,769,868 00	11,126,281 03	6,634,951 07	9,823,920 48	6,067,095 84
Deduct: Unpaid Warrants outstanding at 30th June, 1894, 1895, 1896, 1897, 1898	158,666 80	209,495 96	173,122 28	443,257 08	191,639 36
	11,611,201 20	10,916,785 07	6,461,828 79	9,380,663 40	5,875,456 48

STATEMENT E.

ESTIMATED RECEIPTS 1899-1900.

Dominion of Canada :		
Subsidy under B. N. A. Act	$959,252 80	
Interest on Trust Funds	71,385 94	
Special Subsidy, 47 Vict., chap. 4	127,460 68	
Interest on Railway Subsidies under 47 Vict., chap. 8	119,700 00	
		1,277,799 42
Interest :		
Interest on price of sale Q. M. O. & O. Railway	300,000 00	
Interest on Loans and Deposits	10,000 00	
		310,000 00
Lands, Forests & Fisheries		1,050,000 00
Mines		10,000 00
Administration of Justice :		
Law Stamps	195,000 00	
Law Fees	14,000 00	
Building and Jury Fund. (Gross revenue)	25,000 00	
Maintenance of Prisoners	10,000 00	
Gaol Guards, Montreal and Quebec	4,000 00	
Fines	200 00	
Montreal Gaol	3,000 00	
Other Gaols—Prisoners earnings	200 00	
Montreal Court House	4,000 00	
High Constable's Fees, Quebec	500 00	
		255,900 00
Registration Stamps (including fees of Salaried Registrars)		65,000 00
Licenses. (Gross revenue)		675,000 00
Direct Taxes on Commercial Corporations		160,000 00
Duties on Successions		225,000 00
Percentage on Fees of Public Officers		8,000 00
Percentage on renewals of Mortgages		200 00
Maintenance of Insane		67,000 00
Maintenance of Inmates of Industrial and Reformatory Schools		28,000 00
Legislation		8,000 00
Official Gazette		22,000 00
Rents of Public Buildings, &c		1,000 00
Casual Revenue		5,600 00
Provincial Insurance Companies—Contributions		400 00
Contributions to Pensions, Civil Service		5,000 00
Premium Discount and Exchange		1,000 00
		4,174,899 42
Railway Subsidies Tax		30,000 00
		$ 4,204,899 42

STATEMENT F.

ESTIMATED EXPENDITURE 1899-1900.

		$ cts.
Public Debt		1,570,411 54
Legislation		192,894 70
Civil Government		269,776 19
Administration of Justice, &c		536,710 00
Public Instruction, &c		432,560 00
Public Works and Buildings—Ordinary		108,402 79
Agriculture		172,650 00
Lands, Forests & Fisheries		129,000 00
Colonization & Mines, &c		133,250 00
Lunatic Asylums, Reformatories, &c		419,400 00
Charities		44,675 75
Miscellaneous Services		146,025 00
		4,155,755 97
Public Works and Buildings—Extraordinary		22,000 00
		4,177,755 97
Repayment of Railway Guarantee Deposits	$ 33,072 12	
Railway Subsidies and Q. M. O. & O. Railway	413,740 34	
		446,812 46
		$4,624,568 43

STATEMENT G.

Approximate statement of Liabilities and Assets of the Province of Quebec at 30th June, 1898.

LIABILITIES.

Funded Debt outstanding as existing before conversion	$33,483,694 67	
Increase of capital by conversion	800,146 86	
		34,283,841 53
Temporary Loans		700,000 00
Trusts Deposits		334,003 97
Railway Company Deposits to meet guaranteed interest on bonds		132,702 49
Outstanding Warrants		191,639 36
Railway money subsidies authorized but not yet earned	$365,709 67	
Railway land subsidies converted into money subsidies at 52½ cents per acre, authorized but not yet earned	559,973 17	
		925,682 84
Loss on Exchange Bank deposit		25,218 75
Quebec Court House bonds		200,000 00
		$36,793,088 94

ASSETS.

Part of price of Q. M. O. & O. Ry., deposited in Banks	$353,390 00		
do do invested in $29,000 Province of Quebec bonds, loan of 1878, bought at 109%	31,610 00		
do do invested in Quebec Court House bonds	200,000 00		
do do invested in City of Quebec bonds	15,000 00		
Balance of price Q. M. O. & O. Ry., unpaid	7,000,000 00		
		7,600,000 00	
Province of Quebec 3% Inscribed Stock		10,677 78	
Railway grant under Dominion Act 47 Vic., Cap. 8		2,394,000 00	
Cash in Banks		490,663 59	
Cost of Jacques Cartier School, Montreal, to be repaid from sale of property		5,391 11	
Claim *in re* late Honble. Thomas McGreevy		100,000 00	
Advances to various parties		161,832 89	
Quebec Court House tax, under 45 Vic., Cap. 26, and 48 Vic., Cap. 16.		200,000 00	
			10,962,565 37
Excess of Liabilities over Assets at 30 June, 1898			$25,830,523 57

STATEMENT H.

CASH OPERATIONS 1897-98.

The following is a statement of the cash operations during the year 1897-98

Cash in Banks, 30th June, 1897, on current account was		$486,891 28		
Less outstanding Warrants		443,257 08		
			$43,634 20	
Cash in Banks, 30th June, 1897, balance of proceeds of Loans of 1896 and 1897 was		$904,537 37		
Out of which have been paid beween 1st July 1897 and 30th June 1898:				
Railway Subsidies	$196,284 24			
Q. M. O. & O. Railway	2,360 90			
Guarantee Deposits	237,471 86	436,117 00	468,420 37	
Leaving a balance of				$ 512,054 57
Which has been disposed of as follows:—				
The total expenditure, exclusive of Railway Subsidies, Q. M. O. & O. Railway and repayment guarantee deposits, from 1st July 1897 to 30th June 1898, was:—				
Ordinary expenditure		$4,364,686 68		
Extraordinary expenditure		50,683 70		
Trust deposits		33,675 10		
			4,449,045 48	
The total revenue from 1st July, 1897, to 30th June 1898, was:				
Ordinary revenue		$4,177,656 35		
Trust deposits		58,358 79	4,236,015 14	
Deficiency				$213,030 34
Balance of cash on hand, 30th June, 1898				$299,024 23
Viz:—				
Cash in Banks			490,663 59	
Less outstanding Warrants			191,639 36	
				299,024 23